

## **ATTORNEY GENERAL TIPS FOR HIRING A PROFESSIONAL FUNDRAISER**

- **Comparison shop**
- **Insist on a written contract**
- **Do not relinquish control to a professional fundraiser**
- **Ask questions first -- sign later**

View a list of licensed professional fundraisers on the Attorney General's website at [www.michigan.gov/charities](http://www.michigan.gov/charities).

### **THE CONTRACT**

- Identify parties by correct, complete legal names and addresses
- Clearly describe the duties and responsibilities of both parties
- Identify the compensation to be paid -- a flat fee and/or percent
- Describe the flow and control of money
- Specify the split of funds -- how much the organization will get
- Clearly identify who will pay expenses -- set limits if possible
- Clearly specify the contract period, including settlement dates
- Specifically authorize or prohibit subcontractors

The organization is ultimately responsible for what is said and done. Review all scripts and written solicitations for accuracy.

Any information that misleads the public violates Michigan law.

**Remember -- your public image is your most important asset!**

## **ASK QUESTIONS BEFORE YOU SIGN**

Questions To Ask:

### **Are you licensed with the Charitable Trust Section?**

Under Michigan law, you are required to verify that all professional fundraisers under contract are currently licensed with the Attorney General. View a list of currently licensed professional fundraisers at [www.michigan.gov/agcharities](http://www.michigan.gov/agcharities). Every licensed fundraiser is bonded to protect you and donors. If they solicit funds, they must file a campaign financial statement following each campaign reporting funds raised, amounts paid out in expenses and amounts kept by the charity.

### **What previous experience do you have with fund raising?**

Ask the fundraiser for references. Call those organizations and ask about their experience with the fundraiser and what percentage of the funds raised they retained. Call the Charitable Trust Section and the Better Business Bureau to see if complaints have been filed. Ask the Charitable Trust Section for copies of contracts or campaign financial statements from previous campaigns that have been filed with them. The campaign financial statements will tell you how the fundraiser has performed for other organizations.

### **What services will you provide, and how?**

Will the fundraiser solicit by mail, telephone, personal contacts, other methods? Who will develop material to be used -- scripts, scripted answers to questions, invoices, brochures? Will you have the opportunity to approve all materials? If the fundraiser has a standard contract, review a blank contract before you sign. Maintain control of what is said and how it is said. Insist on frequent progress reports throughout the campaign. Visit the phone room, ask how phone solicitors will be trained, and insist on supervision. Remember individual solicitors must be registered with the Charitable Trust Section; make sure these registrations are filed regularly. Who will provide lists of prospective donors? Who will own lists of donors after the campaign?

### **Who will handle the money?**

Have checks be made out to your organization, not to the fundraiser. Funds should be deposited in a bank account in the name of the charity.